

Peace Corps

§ 309.6

person. As used in this part, the terms debt and claim are synonymous.

(e) *Debtor* means a person who owes the Federal Government money.

(f) *Delinquent debt* means any debt, which has not been paid by the date specified in an agency's initial written notification or in an applicable agreement, unless other satisfactory payment arrangements have been made.

(g) *Discharge* means the release of a debtor from personal liability for a debt. Further collection action is prohibited.

(h) *Disposable pay* has the same meaning as that term is defined in 5 CFR § 550.1103.

(i) *Employee* means a current employee of the Peace Corps or other Federal agency, including a member of the Armed Forces or Reserve of the Armed Forces of the United States.

(j) *FCCS* means the Federal Claims Collection Standards jointly published by the Department of the Treasury and the Department of Justice at 31 CFR parts 900-904.

(k) *Person* means an individual, corporation, partnership, association, organization, State or local government, or any other type of entity other than a Federal agency, foreign government, or public international organization.

(l) *Salary offset* means the withholding of amounts from the current pay account of a Federal employee to satisfy a debt owed by that employee to the United States.

(m) *Suspension* means the temporary cessation of an active debt collection pending the occurrence of an anticipated event.

(n) *Termination* means the cessation of all active debt collection action for the foreseeable future.

(o) *Waiver* means the decision to forgo collection of a debt owed to the United States as permitted or required by law.

§ 309.4 Other procedures or actions.

(a) Nothing contained in this regulation is intended to require Peace Corps to duplicate administrative proceedings required by contract or other laws or regulations.

(b) Nothing in this regulation is intended to preclude utilization of infor-

mal administrative actions or remedies which may be available.

(c) Nothing contained in this regulation is intended to deter Peace Corps from demanding the return of specific property or from demanding the return of the property or the payment of its value.

(d) The failure of Peace Corps to comply with any provision in this regulation shall not serve as a defense to the debt.

§ 309.5 Interest, penalties, and administrative costs.

(a) Except as otherwise provided by statute, contract or excluded in accordance with FCCS, Peace Corps will assess:

(1) Interest on unpaid debts in accordance with 31 CFR 901.9.

(2) Penalty charges at a rate of 6 percent a year or such other rate as authorized by law on any portion of a claim that is delinquent for more than 90 days.

(3) Administrative charges to cover the costs of processing and handling delinquent debts.

(4) Late payment charges that shall be computed from the date of mailing or hand delivery of the notice of the claim and interest requirements.

(b) When a debt is paid in partial or installment payments, amounts received shall be applied first to outstanding penalty and administrative cost charges, second to accrued interest, and then to outstanding principal.

(c) *Waiver*. Peace Corps will consider waiver of interest, penalties and/or administrative costs in accordance with the FCCS, 31 CFR 901.9(g).

§ 309.6 Collection in installments.

Whenever feasible, and except as required otherwise by law, debts owed to the United States, together with interest, penalties, and administrative costs as required by this regulation, should be collected in one lump sum. This is true whether the debt is being collected under administrative offset, including salary offset, or by another method, including voluntary payment. However, if the debtor is financially unable to pay the indebtedness in one lump sum, payment may be accepted in regular installments. If Peace Corps